(d) the number of such cases during the last two years and action taken, if any, against those responsible therefor; and

(e) the action taken/proposed to ensure that such appeals are not filed in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PADYESSO NAIK) : (a) Yes, Sir.

(b) CBDT has issued Instruction No,. 1979 and 1985 dated 27-3-2000 and 29.6.2000 respectively regarding filing of second appeal in Income-tax and Wealth tax cases before Income-tax Appellate Tribunal. Further Instruction No. 6/2003 dated 17th July, 2003 was issued to clarify Instruction No. 1979 and Instruction No. 1985.

(c) Appeals are permitted to be filed below the prescribed limits/ amounts in case it involves an issue of notification, instruction or circular of CBDT or where prosecution has been filed/is contemplated or constitutional validity of a provision is challenged or where an audit objection is raised. Instances of violations have not come to notice. In case it happens, appropriate action will be taken.

(d) and (e) In view of (c) above, questions do not arise.

Collection of taxes by States

45. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received suggestions from State Government to pass on 50 per cent of taxes it collects to the States from the present share of 29.5 per cent; and

(b) if so, Government's response thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir, several States have requested the Centre in the past to enhance the share of States in Central taxes as against what has been recommended by the Eleventh Finance Commission.

(b) The Eleventh Finance Commission, keeping in view the holistic assessment of the resources and requirements of the Centre and States,

and keeping in view the need for vertical and horizontal equity, made their final recommendations. The Government of India accepted the recommendations of the Eleventh Finance Commission relating to devolution of Central Taxes and Duties and quantum of grants-in-aid to States.

Mobile phone users under tax net

46. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that CBDT had addressed all its Zonal Office to prepare lists of those who pay Rs. 50,000 or more as rentals for using mobile phone services for making them pay income tax;

(b) if so, the details thereof;

(c) whether the lists of such users of mobile phone services have been prepared; and

(d) if so, the action being taken against them for recovery of income tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPADYESSO NAIK) : (a) and (b) Yes, Sir. The CBDT has required the concerned Commissioners of Income Tax to collect information relating to persons having incurred expenditure above Rs. 25,000/- in FY 2002-03 on charges for use of mobile phones.

(c) Lists of such persons are being collected by the Department from mobile phone service providers.

(d) It is proposed to verify whether such persons are assessed to tax and whether the expenditure so incurred has been accounted for.

Exemptions of income tax to senior citizens

47. SHRI ANIL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any representations from any organizations working for the welfare of the senior citizens with regard to grant of exemption to the senior citizens from filing Income-tax Returns whose income does exceed Rs. 50,000/- per annum; and